

North Dakota

North Dakota Exempts Working-Poor Families from Its Income Tax

North Dakota's 2006 income tax threshold

Rank among the 42 states with income taxes

(The income level at which families begin paying income tax)

(1 = lowest threshold)

- For single-parent families of three: \$17,900 21
- For two-parent families of four: \$24,000 24

North Dakota's 2006 income tax levied on working-poor and near-poor families

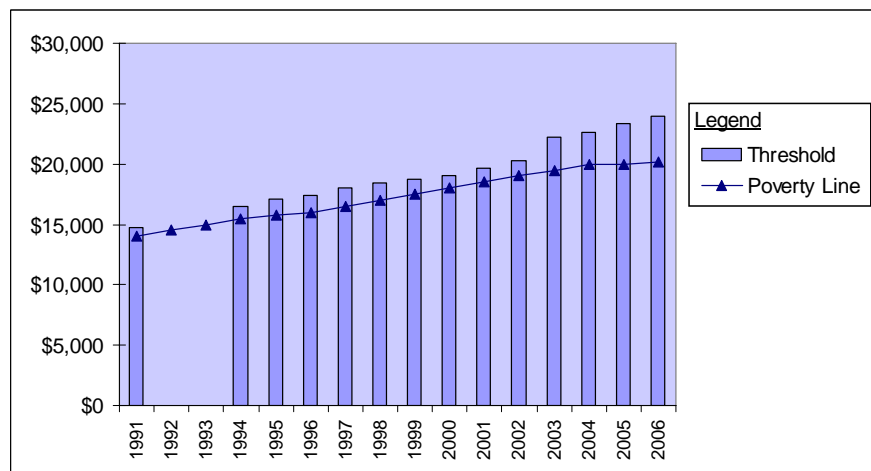
Rank (1 = highest tax)

- For families of three with incomes at the poverty line (\$16,079): \$0 (tied for) 16
- For families of four with incomes at the poverty line (\$20,615): \$0 (tied for) 20
- For families of three with minimum-wage earnings (\$10,712): \$0 (tied for) 7
- For families of three with incomes at 125% of poverty line (\$20,099): \$55 22
- For families of four with incomes at 125% of poverty line (\$25,769): \$48 25

North Dakota has consistently exempted working families with below-poverty earnings from its income tax.

- Since 1991, North Dakota's income tax threshold has consistently been above the poverty line.
- In 1991, a family of four owed no tax until its income reached 6 percent above the poverty line. In 2006, North Dakota's tax threshold was 16 percent above the poverty line.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$14,700
1992	no data
1993	no data
1994	\$16,500
1995	\$17,100
1996	\$17,400
1997	\$18,000
1998	\$18,400
1999	\$18,700
2000	\$19,000
2001	\$19,700
2002	\$20,300
2003	\$22,200
2004	\$22,600
2005	\$23,300
2006	\$24,000